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C O N T E N T S

(Information as of 1200 EST, 9 April 1964)

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MOSCOW OPENS NEW COUNTEROFFENSIVE AGAINST PEIPING

The publication on 3 April of party secretary Suslov's speech to the Soviet central committee plenum in mid-February and of the plenum's resolution on the Sino-Soviet dispute makes it clear that this meeting marked an important turning point for Moscow's strategy in the conflict. In addition to launching a public counteroffensive after a five-month suspension of polemics, the 3 April documents and Khrushchev's speeches in Hungary outline a long-range program for coping with what now is publicly acknowledged to be an unbridgeable schism in the world Communist movement.

Moscow now has virtually discarded all pretense of a single movement and recognized the reality of two Communist giants competing for ideological authority. Suslov made the usual utterances about restoring fraternal relations, but implied that further conciliatory gestures toward Peiping would be futile and predicted a "serious and prolonged struggle."

The fundamental purpose of the Soviet counterattack probably is to overcome the reluctance of certain foreign parties, such as the Italian and the Rumanian, to join Moscow in a collective denunciation of Peiping. Suslov's speech and the plenum "decision" emphasized that Moscow had displayed maximum restraint, responsibility, and concern for the cohesion of the Communist movement, only

to see Peiping treat this policy as a "manifestation of weakness." Suslov asserted that Marxist-Leninists throughout the world can no longer restrict themselves to "criticism and political evaluation" of Peiping's heresies. An editorial in the same 3 April Pravda added that "further silence not only would do no good but would encourage Peiping's efforts to disorganize" the Communist movement. Moscow's frustrations with foreign Communist waverers was reflected in Pravda's complaint that Peiping had prevented foreign parties from "exposing" it by "blackmailing" them with threats of a split.

In a show of leadership solidarity exceeding even the public displays of loyalty following the removal of the anti-party group in 1957, top Soviet leaders have fanned out to address regional party meetings on Suslov's speech and the plenum resolution. Over the past two weeks, Brezhnev has spoken at a Kazakh plenum and in Uzbekistan, Podgorny in Kiev, Mikoyan in Baku, and Kosygin in Novosibirsk. Such activities are clearly intended to underscore the futility of any Chinese attempts to meddle in internal Soviet politics.

Future Tactics

Suslov's indictment of Peiping included charges of "subversive activities" aimed at splitting both the world

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movement and individual parties and of plans to create a "kind of special international bloc" with its "center" in Peiping. The Chinese were said to be using "all sorts of renegades, degenerates, and adventurists" to overthrow pro-Soviet leaders in foreign parties. A Soviet decision to urge these parties to expel pro-Chinese factions appears evident in Suslov's assertion that "fraternal parties could not tolerate the reactionary groups and are weeding them out." Pravda underscored this tactic by publishing on 6 April an article by the leader of the pro-Soviet Ceylonese party claiming that his party "has become stronger by cleansing itself of the opportunist and venal elements."

While Suslov put the USSR on record as favoring a new world Communist conference, there are no indications that the Soviets contemplate early unilateral moves to force a final rupture. They apparently intend to continue ostensible efforts to restore unity rather than to provoke an early showdown and expulsion of the Chinese. Suslov, denying that the conflict is simply a Sino-Soviet struggle, insisted that it had arisen from "differences between the Chinese leadership and the international Communist movement." He called for a "collective effort" by all parties to devise ways to "preserve and consolidate Marxist-Leninist unity."

Moscow's public commitment to a conference next fall probably was conceived primarily as a means of increasing pressure on reluctant foreign Communist leaders. Pravda summarized a 7 March Soviet letter to Peiping proposing a three-stage program beginning with bilateral talks in May, followed by a preliminary meeting in June and July of parties represented on the editorial committee which prepared for the 1960 Moscow conference, and culminating in a new conference of all parties next autumn. Although it is unlikely that the Soviet leaders expect Peiping to accept this program, they probably believe it will afford them considerable flexibility in determining future moves in light of foreign Communist reaction.

Eastern European Reaction

Reaction to date affords little ground for optimism in Moscow.

Not all Eastern European regimes are fully in favor of the USSR's latest steps. While all except Albania and Rumania have published or at least-- in the case of Yugoslavia and Poland--summarized the documents printed in Pravda on 3 April, local editorial comment has been sparse and varied.

Bulgarian and Czechoslovak parties quickly and unequivocally lined up behind the USSR but were more

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restrained [redacted] in their commentary. The Hungarians and the Poles were even more reticent but go along with Moscow.

Sharper differences are evident in reaction to the Russian proposal for a new international conference of Communist parties. [redacted]

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[redacted] The Bulgarian party "ardently approves" of a conference this fall, and the Czechoslovak regime backs a conference, "preferably this year." The Hungarians do not specifically back the conference proposal and are known to prefer no action at all to any that might cause a break.

The Polish regime, in its first independent commentary on 9 April, endorsed Suslov's view of the need for "consultations" to achieve unity but stopped short of calling for a conference as he did. The Poles reportedly would be willing to attend a conference provided its purpose was to seek a means of reconciliation with Communist China.

The Rumanians, while in general agreement with Moscow's substantive position in the Sino-Soviet dispute, nevertheless oppose any move toward a final break. Bucharest is likely to maintain its silence on the conference proposal until after a central committee meeting scheduled for 15 April. It

seems likely the Rumanians will openly express their reluctance to agree to Khrushchev's timetable.

Commentary in the Yugoslav press indicates fear that Khrushchev's renewed campaign to isolate Peiping may result in some estrangement between Yugoslavia and the international movement.

None of the Eastern European countries has commented on the implication in Khrushchev's 3 April speech in Budapest that some new form of Soviet bloc organization should be formed. Belgrade, long opposed to blocs, is probably deeply shocked by the idea, and the other regimes probably fear that any new organ of authority might impinge on their ability to maintain a limited degree of independence from Moscow.

Some, and possibly all, of the Eastern European leaders will meet informally in Moscow on the occasion of Khrushchev's 70th birthday on 17 April. TASS has announced that Gomulka is to lead a Polish party-government delegation to Moscow soon. According to a recent Yugoslav press report from Moscow, Ulbricht and possibly other leaders are to be there. A Hungarian press official in late March reported Kadar would be going and "speculated" that other Eastern European leaders would be there. [redacted]

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SUSLOV ON THE FATE OF THE SOVIET ANTIPARTY GROUP

Soviet party secretary Suslov's recent reference to the expulsion of Malenkov, Molotov, and Kaganovich from the party is the first widely publicized Soviet statement on this subject. However, their expulsion has been common knowledge in party circles since the action was completed in early 1962. It has been mentioned in at least one public lecture in Moscow. Suslov's reference to the group was intended, like many other passages in his speech, to underscore the solidarity of the Soviet leadership and people behind Khrushchev and to remind the Chinese of the futility of attempting to resurrect the anti-party group as a rallying point for opposition to him.

The machinery for expulsion was set in motion at the 22nd party congress in October 1961 with renewed attacks on the members of the group, particularly Molotov, and submission of resolutions to the congress by several party groups calling for immediate ouster. After the congress closed, expulsion proceedings, in conformity with the party statutes, were initiated by the primary party organizations to which members of the group belonged.

The Soviet leadership apparently was at some pains to

adhere meticulously to every letter of the statutes to avoid any suggestion of Stalinist methods. Accordingly, the decision of the primary organizations to expel the members of the group had to be ratified by the two next higher party organizations before expulsion was final. The statutes also specify the right of appeal to the party control commission within two months after final expulsion. There were several reports that Molotov, at least, appealed his case to the highest tribunal.

In early February 1962, when Molotov had apparently exhausted all avenues of appeal and all efforts of the regime to extract some kind of confession from the stubborn "old Bolshevik" had failed, the case was closed. There were reliable reports that the lesser lights of the anti-party group--Bulganin and Shepilov--were also removed from party membership at that time.

According to Soviet officials, Molotov, Kaganovich, and Bulganin were granted state pensions and are currently living in retirement in Moscow; Malenkov is still said to be working in Kazakhstan, and Shepilov's whereabouts is unknown.

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The Communist World

POPULAR OPPOSITION TO PEIPING'S STRINGENT CULTURAL POLICIES

Peiping's attempts to force all cultural activities into the mold of its mounting "socialist education" campaigns are running into active as well as passive opposition. Actors in a recent "socialist" play were stoned off the stage, and another troupe that had contracted for a three-month tour of the Honan countryside gave up after two weeks when its play proved as unpopular with rural party officials as with the peasants.

Undeterred by this reaction, the party is insisting that "socialist" drama be pushed harder, even if it is unpopular. The party journal Red Flag warned in February that if the people dislike the new plays, the fault lies with them, not the plays.

New guidelines drawn up a few months ago prohibit the performance of traditional opera and foreign plays. This is especially resented in rural areas, where opera has long been the chief form of entertainment.

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Stricter party lines have also been set for the new plays, necessitating the rewriting of some. They must not treat special individual problems, suggest that a bright future is ahead, or hint that leadership at any level could make mistakes.

The results, according to people who have seen the new plays, are incredibly dull. The heroes are insignificant figures like the young soldier-martyr Lei Feng, who wanted only to serve Mao and the party in some small way. The typical villain is no longer a wrongdoing capitalist but a quiet young man whose only crime is wanting to be left alone, get married perhaps, or walk in the park and watch movies after work instead of studying the works of Mao or "helping the collective."

The new stultifying party line is being applied to other cultural areas as well. Western classical music, previously encouraged, is giving way to "militant and revolutionary" Chinese music, usually sung by choruses.

Literary journals published in Peiping have been finding ideological deficiencies in Chinese classics previously so revered as to be above criticism. Ex-purgation of these works, to preserve their militant portions, is recommended.

Peiping's goal evidently is to expose everyone to political indoctrination, either directly or through cultural media, during all leisure hours. In its totalitarian extremism, this goal resembles the "leap forward" controls of a few years ago, although the underlying aim now is not to increase production but to elicit acceptance of the regime's point of view. It is more likely, however, to result in a further alienation of the party from society as a whole.

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The Communist World

PARTY RECTIFICATION CAMPAIGN IN NORTH VIETNAM

The North Vietnamese central committee last December decided to launch an extensive ideological education campaign directed at "rightist" tendencies within the party ranks.

There is no evidence that the campaign now is under way. However, a recent series of articles by politburo member Le Duc Tho suggest that it will start soon. These articles provide a clear insight into the nature and motivation of the campaign. They confirm earlier indications that the campaign was necessitated in large part by the ideological difficulties created by Hanoi's shift toward Peiping in the Sino-Soviet dispute. Tho, a member of the now-ascendant pro-Chinese wing of the party, indicated that the campaign would not be "harsh or vindictive" and that it would be directed at convincing the middle and lower echelons of the validity of Hanoi's support for Peiping. Tho is head of the party organization department and will probably be largely responsible for directing the drive.

In his articles, Tho related the ideological issues in the dispute to specific Vietnamese national policies--the war in the South, the pace of agricultural cooperativization, and the necessity for rapid industrialization--thus underscoring that Hanoi's shift toward the Chinese was made on the basis of its own national interests

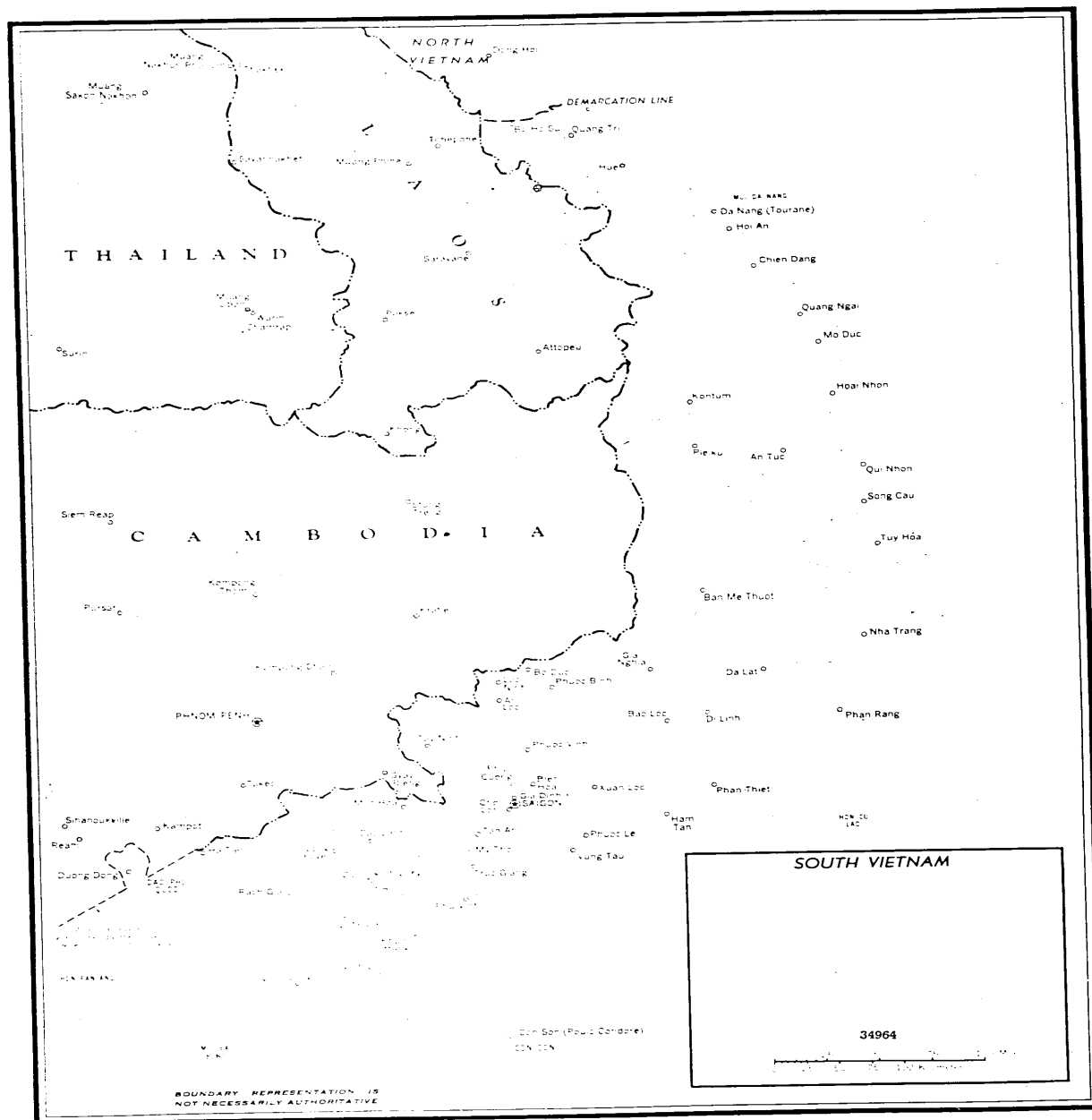
and is not a result of pressure from Peiping. His arguments in this regard will probably be incorporated into the campaign materials.

Tho indicated that the party is also distressed at a tendency by some party members to concern themselves more with physical comfort, rank, and salary than with the revolutionary goals of the regime. In an echo of recent Chinese criticisms of Soviet life, he declared that such "rightist" proclivities represent a potential opening for the "poisons" of modern revisionism.

Neither Tho's articles nor other regime statements on the campaign suggest that a purge is in the offing. Moderate and hard-line factions clearly differ over some aspects of party policy, but there is no evidence of an acute split at policy-making levels over such key questions as the conduct of the war in South Vietnam. In fact, the materials published on the December central committee deliberations suggest that the party rededicated itself to vigorous support of Viet Cong political and military action. Any differences which do exist in the hierarchy probably center on the Sino-Soviet dispute but involve, not opposition to supporting the Chinese Communists, but rather the question of the degree to which Hanoi should align itself with Peiping.

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Asia-Africa

SAIGON REGIME AT ODDS WITH CIVILIAN POLITICIANS

General Khanh's continuing differences with South Vietnam's civilian politicians have overshadowed his latest steps to prevent administrative abuses and mobilize the nation's manpower.

On 5 April the government dissolved the civilian advisory Council of Notables which had been appointed under the Minh regime. Although the move was billed as paving the way for an elected constituent assembly, it resulted from Khanh's wish to do away with a forum for criticism of his government. The deposed councilors--drawn largely from Saigon's elite, whose efforts to exert a stronger influence in government had been thwarted by the Diem regime as well--will probably revert to their traditional role of frustrated opposition.

Khanh also replaced his civilian interior minister, Ha Thuc Ky, a Dai Viet Party member who had been chafing over his lack of influence in police and provincial appointments. Other Dai Viet members of the cabinet, particularly party leader Nguyen Ton Hoan, a vice premier, remain in the regime. Precautions reportedly were taken, however, to prevent any reaction to Ky's dismissal.

Khanh, meanwhile, continues to gain respect as a result of

his vigorous efforts to overcome long-prevailing government weaknesses. Although he is gradually replacing additional province chiefs, many of those he has appointed--including the new civilian chiefs in two of South Vietnam's northern provinces--are reported to be very active and popular.

In Quang Tin Province, also in the north, a clear-and-hold operation initiated in mid-February is reported to be effectively preventing Communist forces there from assembling in any significant strength. Farther south in coastal Binh Dinh Province, Viet Cong advances reportedly have been stemmed in all but a few areas, and the government is beginning to regain some lost ground. Some provinces just north of Saigon are also showing progress.

The situation in other provinces, however, continues to deteriorate. In Darlac, in the central highlands, poor management is causing many people to leave the locale of the clear-and-hold operation that terminated in late January. The government's crash program to rehabilitate Long An Province just south of Saigon has deteriorated to only a token effort, primarily because of frequent changes of administration and rotations of the military units involved.

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BHUTAN



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Asia-Africa

BURMA MOVES FURTHER LEFTWARD

General Ne Win has stepped up the tempo of his two-year-old revolution in Burma. He has recently shown new determination to complete his program of socialization and regimentation of the economy and society and to remove all foreign influences.

The ouster on 1 April of Chit Myaing, a moderate, as minister of trade development leaves economic policy in the hands of the radical leftist element in Ne Win's Revolutionary Council. Chit Myaing, a protégé of Aung Gyi, who was the regime's number-two man until he was deposed a year ago, had recently regained control of exports. This suggested that Ne Win might moderate his policy of accelerated socialism. However, semiofficial press accounts indicate that Chit Myaing, now reportedly under arrest, was dismissed because of policy differences--specifically his opposition to rapid nationalization.

On 8 April the government nationalized wholesale and retail outlets for consumer goods through-

out the country; Rangoon outlets had been nationalized in mid-March. This move, aimed primarily at Indian and other foreign merchants, was designed to curb hoarding and black-marketing, which have been encouraged by the government's inefficiency and confusion in handling imports and distribution.

Meanwhile, Ne Win has continued his withdrawal from foreign contacts and influences by forcing the closing of public libraries operated by various embassies. The regime has also tightened its control over private schools, ended the teaching of English at the primary level, and eliminated political indoctrination periods at pro-Communist Chinese schools. Ne Win reportedly will soon request the closure of a number of consulates, including the US office at Mandalay. Last month the Burmese asked Peiping to close its Mandalay consulate because of its flagrant violations of Burmese restrictions on foreign propaganda.

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AREA NOTE

Bhutan: The Maharaja's return to Bhutan from Europe probably will ease the confusion created by the assassination on 5 April of the Himalayan state's prime minister, Jigme Dorji. Lendup Dorji, a broker, reportedly will assume the functions of the office--involving primarily the responsibility for relations with India, which controls the state's foreign affairs. A Bhutanese soldier has been accused of the slaying,

but the motive has not yet been disclosed.

The assassination may prove helpful to elements anxious to promote the traditional distrust of India among the Bhutanese. The Chinese Communists can be expected to look for indications that New Delhi's grip on the mountain kingdom has been weakened, but they probably will move cautiously in any attempt to extend their influence in Bhutan.

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Asia-Africa

FACTIONAL SPLIT IN THE INDIAN COMMUNIST PARTY

Heated sessions of the Indian Communist Party's 100-man national council, which begins on 10 April, seem likely to produce some sort of formal split. For the first time in the party's long history of factional strife, leaders on the so-called "left" and "right" wings who have been assailing each other publicly for the past week seem intent on forcing a showdown.

The "leftists," who just a few months ago seemed hopelessly divided even among themselves, have been emboldened by the recent discovery in the Indian National Archives of a 1924 letter in which the current party chairman, S. A. Dange, then an imprisoned labor leader, purportedly offered to work for British intelligence. They have publicly called for Dange's resignation, and at the meetings they plan to exploit the letter issue in an effort to discredit Dange and oust him from the chairmanship. With Dange disposed of, the "leftists" would hope to elect a leader more amenable to the radical action program they drew up during the past week. Should their effort against Dange fail, some of the "leftists" may walk out.

Dange, however, does not intend to let the matter drop there. The initial furor over the 1924 letter arose while he was in Prague attending a meeting of the Communist World Federation of Trade Unions of which he is an officer. Even before he returned to India--via Moscow--there were signs that the

"right" was at long last prepared to fight the "left" to a decision. Since his return there has been considerable evidence that, with the support of the top-level party secretariat, he intends to propose disciplinary action against the outspoken "leftists," including the expulsion of their most prominent leaders. Expulsion reportedly will also be recommended for any others should they walk out of the council sessions.

A significant factor in Dange's noticeably stiffer approach to the problem of the "leftist" faction may be his recent talks in Moscow. Soviet pronouncements in the past week opening a new counteroffensive against Peiping suggest that Moscow has decided to urge pro-Soviet foreign Communist leaders to expel pro-Chinese "renegades and splitters" from their parties (see first article).

India's Communists have a long history of blurring their divisions and avoiding irrevocable decisions. Nonetheless, at the close of the present sessions, some participants will probably be outside the party. Dange's Moscow-backed group probably has the strength to retain control of the party organs, but this fight will sap their energies, and the party as a whole will be weaker if it loses some of its most dynamic radicals. In the event of an open break, the dissidents would proceed at full speed to develop a rival party apparatus favoring the Chinese ideological position.

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Asia-Africa

ZANZIBAR CONTINUES TO DRIFT AWAY FROM WEST

The Zanzibar regime is continuing efforts to eliminate all Western activity on the islands. President Karume now has demanded that the NASA space station be removed by 30 April. While his immediate pretext was a recent statement by a US official pointing out the threat Zanzibar poses to mainland East Africa, this is an old demand which members of his regime pushed for several years when they were in the opposition.

Karume is becoming increasingly isolated from moderate advice. He appears both to be persuaded that the West is seeking to reinstate the Sultan and to be impressed with support received from Communist countries. Despite minor differences within the regime's dominant pro-Communist phalanx, Foreign Minister Babu still seems to be in control. His well-placed lieutenants and network of informers should be able to neutralize any serious opposition. The tendency of some of his more extreme cohorts to act rashly may pose some difficulty, however.

Communist-trained militants loyal to Babu hold the key positions in the new People's Liberation Army, even though a Karume supporter is its nominal commander. Soviet instructors have begun training the army's 500-man nucleus. Part of the recent Soviet arms shipment, including some 20 anti-aircraft guns, has been moved to a military base being rapidly built four miles south of Zanzibar town. Soviet mechanics are servicing new military vehicles.

[redacted] Zanzibar does not intend to favor either the Soviets or the Chinese Communists, and hopes to continue to receive aid from both.

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Moscow, for its part, appears to be approaching the situation with relative caution. A recent public lecture in Moscow suggests that the USSR is uncertain of the orientation of the Zanzibar regime's leaders. It probably wishes to avoid jeopardizing its position with leaders of neighboring mainland countries, who are becoming alarmed at trends on Zanzibar. From its past dealings with radical nationalist movements, Moscow may have concluded that undue haste can be self-defeating to long-range Soviet goals in Africa.

Peiping, meanwhile, continues to expand its presence. The newly arrived Chinese Communist ambassador heads a mission of some two dozen men--already four times the size of the Soviet mission. The Chinese have provided \$250,000 in direct budgetary support and apparently intend to send agricultural technicians.

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Western Hemisphere

EFFORTS TO FORM NEW GOVERNMENT IN BRAZIL

Political activity in Brazil is focused on the election of a president to serve out the remaining 20 months of Joao Goulart's term. Congress appears to be yielding to pressure from those who led the movement against Goulart--both military and civilian--to elect a military man.

A key figure in that movement--General Humberto Castello Branco, the 63-year-old army chief of staff--appears to be the likely choice. He has no particular political following, but is considered strong enough to carry through to completion the purge of extreme leftists now under way. He is also regarded as the man with the best chance of maintaining the unity which brought about Goulart's overthrow.

However, Castello Branco faces competition from Second Army Commander General Amaury Krueger. Growing support for Krueger's candidacy has cast some doubt on the final outcome.

Some congressmen are alarmed at what they consider an attempt to intimidate Congress. They are especially disturbed by an "institutional act" drafted by the so-called Revolutionary Council which would give the new regime sweeping prerogatives, including authority to cancel congressional immunity and almost unlimited powers of arrest.

While the immediate objective of the act appears to have been to spur Congress to act quickly on the presidency, some observers feel that it has more far-reaching implications and is aimed at purging Communist and pro-Communist congressmen.

consideration is being given to declaring a state of siege as an additional cover for such a purge.

Whatever the government's ultimate intentions, there is considerable apprehension over the extent of its security precautions. Estimates of the number already taken into custody in the continuing mass arrests run as high as 3,000--including more than 100 student and labor leaders and other suspected leftists in the city of Belo Horizonte alone. Known leftists at all levels of the armed forces are being removed. In some areas radio and press censorship is in effect.

Foreign reaction to Goulart's overthrow has generally been favorable. Chile and Guatemala have indicated they will continue relations with Brazil. Other Latin American governments appear disposed to follow suit, but may be awaiting the election of a new president before deciding. The bloc, as expected, describes the recent events in Brazil as a US-sponsored "reactionary plot."

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Western Hemisphere

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[redacted]
Brazil's new leaders intend to break relations with Cuba but not with the USSR.

The economic picture is showing some improvement. The

cruzeiro has strengthened considerably in the last few days. More encouraging is the fact that Finance Minister Bulhoes is pulling together what looks like a competent team of economists to deal with Brazil's urgent financial problems. [redacted]

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CUBAN ARMED FORCES NOW RECEIVING DRAFTEES

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The Cuban armed forces now are receiving draftees inducted under the compulsory military service law enacted last year. Some 25,000 personnel--mostly young men with high school training or better--will be drafted this year for three years' service. Similar numbers will probably be inducted during the next two years [redacted]

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[redacted] three new military camps on the island, probably reception centers or basic training camps, with facilities for about 3,000 men.

The better educated inductees will provide a manpower pool for the operation of advanced Soviet equipment turned over to the Cubans. Those with less education will probably be formed into labor battalions for work in agricultural and construction

projects to replace troops now assigned to such nonmilitary projects. The draft will also serve as a useful vehicle for political indoctrination of the new generation. Concurrent plans to discharge sizable numbers of veteran personnel suggest that the over-all size of the armed forces--now about 100,000--will not be substantially increased.

[redacted] Soviet cargo ship [redacted] with [redacted] military shipment to Cuba this year [redacted] should arrive about 14 April. Other Soviet ships recently have delivered six P-4 - class motor torpedo boats and spare surface-to-air missile equipment. With these deliveries, the Cuban Navy now has 12 P-4 and 12 P-6 torpedo boats. [redacted]

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Western Hemisphere

CHILEAN POLITICAL SCENE BEGINNING TO STABILIZE

The Chilean political situation, badly muddled by the victory of the Communist-Socialist Front (FRAP) in the by-election in Curico Province last month, is beginning to stabilize.

The powerful Radical Party, following a meeting last week to decide on its position in the forthcoming presidential election, now has backed away from endorsing FRAP's candidate Senator Salvador Allende. It has decided instead to run its own candidate, Senator Julio Duran, who previously had been the standard-bearer of the government-oriented Democratic Front until it fell apart in the wake of the Curico debacle.



Duran has no chance of winning but [redacted] hopes to consolidate a 400,000-vote following in order to control the political balance of power. From such a

position of strength, he [redacted] plans to negotiate a deal with Frei later. Should Duran remain to the end, however, or should his strategy fail, his candidacy promises to help FRAP. This is because he will probably attract some votes that would otherwise go to the PDC without, at the same time, preventing left-wing Radicals from voting for FRAP.

Frei, while conceding very little of his own support to Duran, believes that as much as two thirds of the Radical vote could still go to Allende. Frei reportedly is also worried over FRAP's growing strength among rural voters, a testimonial, he thinks, to an effective political machine that is backed with a lot of money. He has, on the other hand, apparently had some success in dissuading Masons from endorsing Allende, a development that would have swung a substantial portion of the Radical vote to FRAP.

Allende, meanwhile, has gone on record as saying that, if elected, he will nationalize US-owned copper companies, but was vague on the question of compensation. He also indicated that he does not feel that nationalization would cause Chile to lose any of its world copper markets. [redacted]

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Western Hemisphere

NEW POLITICAL SQUABBLE SETTLED IN BOLIVIA

Bolivian President Paz Estenssoro has resolved yet another intramural struggle in his party, the Nationalist Revolutionary Movement (MNR), by persuading party troublemaker Federico Fortun to cease his attempts to regain the MNR vice-presidential nomination. Paz thereby averted a dispute that might have returned the Bolivian political situation to a state of confusion and disrupted plans for the 31 May election.

Last week Fortun formed an intraparty bloc for the purpose of recapturing the vice-presidential candidacy to which he was nominated at the party convention in January. General Rene Barrientos, who replaced Fortun on the ticket last month, then threatened to resign his candidacy if Fortun persisted in asserting that the nomination was legally his.

Fortun now contends that his bloc is designed solely to support MNR candidates, not to weaken them. In any event, Fortun will soon be given a foreign assignment [REDACTED]

In other pre-election developments, incumbent Vice President Juan Lechin--Paz' only declared opponent for the presi-

dency--is having difficulty forming an alliance with opposition parties. The Bolivian Communist Party (PCB) has said that it "will do everything possible" to form a common front with Lechin's National Leftist Revolutionary Party (PRIN), but that such a pact must exclude Bolivia's traditional rightist opposition parties. The right and center parties--whom Lechin has been cultivating because of their relatively greater popular appeal--are wary of his overtures, and believe they will fare better by going it alone. The more so since a recently promulgated electoral law has improved the prospects of their winning some congressional seats.

An electoral alliance of PRIN, the PCB, and other small leftist groups is about the best Lechin can hope for. Such a combination, however, would seem to have little chance of victory at the polls.

In the meantime, Lechin is continuing to negotiate with Cuba for financial support and arms [REDACTED] he is now demanding that Havana grant him \$180,000 immediately. If he gets the money, Lechin reportedly intends to make a follow-up request for arms. [REDACTED]

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Western Hemisphere

AREA NOTES

Panama: President Chiari has appointed two extreme nationalists--Special Representative Jorge Illueca and Ambassador Miguel Moreno--to represent Panama in discussions with the US over the Canal. This move has strong domestic political overtones in that it simultaneously undercuts charges that Chiari has compromised Panama's position in dealing with the US, and removes two highly ambitious figures from the confused political arena prior to next month's national elections. Neither man is a member of the ruling oligarchy, and each probably considers his new task an excellent platform to bolster his political stature and presidential possibilities--but not until the 1968 race.

Precautions taken by the National Guard have thus far prevented pro-Castro revolutionaries from carrying out plans to

stir up trouble among striking banana workers and in the cities. Guard officers, however, are said to be concerned over evidence that the revolutionaries nonetheless are continuing to make preparations for eventually launching a campaign of armed violence.

[redacted] Communist groups are coordinating efforts to influence the 10 May elections by consolidating extremist support behind selected candidates, particularly those running on the Socialist ticket. In addition, Education Minister Solis Palma may be aiding the Communist attempt to control the election of a new rector at the University of Panama. This drawn-out struggle is keeping tensions high among Panama's volatile students [redacted]

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Honduras: [redacted] dissatisfaction in the Honduran armed forces and among certain civilian elements is sparking another round of plotting against chief of state Colonel Oswaldo Lopez. [redacted] implicated many air force officers, as well as some army officers of the key US-trained First Battalion and the Special Tactical Force--both stationed around the capital. They are said to be supported by

several high-ranking civilian officials in the government.

[redacted] Lopez does not seem apprehensive about his position at this time. Moreover [redacted] --Minister of Defense and Air Force Chief Armando Escalon --has been away from Honduras recovering from a serious illness. At last report, however, his return to Honduras was imminent. [redacted]

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Western Hemisphere

AREA NOTES

Dominican Republic: The replacement on 8 April of triumvirate member Ramon Tapia Espinal by Ramon Caceres Troncoso, the Dominican ambassador to Italy, has put an end to a political storm that was rapidly approaching crisis proportions. Tapia stepped down after nearly three days of pressure from the other triumvirs and his own political confidants.

Caceres, a 33-year old attorney, will be an improvement over [redacted] Tapia, who is generally regarded as a crony of former provisional President Rafael Bonnelly. Caceres has served previously as secretary of state for finance and in the Foreign Ministry. At one time he was a leading member of the conservative National Civic Union party.

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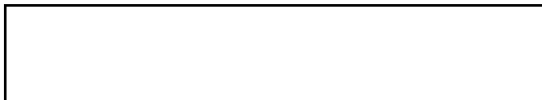
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